

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE
MILITARY CONSTRUCTION BUDGET DATA
FOR THE NAVAL AVIATION DEPOT
NORTH ISLAND, CALIFORNIA**

Report No. 95-247

June 23, 1995

Department of Defense

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Acronyms

BRAC
COBRA
MILCON

Base Realignment and Closure
Cost of Base Realignment Actions
Military Construction



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



June 23, 1995

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on Defense Base Realignment and Closure Military
Construction Budget Data for the Naval Aviation Depot
North Island, California (Report No. 95-247)

We are providing this audit report for review and comment. Comments from the Under Secretary of Defense (Comptroller) on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all recommendations and potential monetary benefits be resolved promptly. Therefore, the Navy should provide comments on this final report that conform to the requirements of DoD Directive 7650.3 by July 24, 1995.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Ms. Kimberley A. Caprio, Audit Program Director, at (703) 604-9248 (DSN 664-9248) or Ms. Victoria C. Hara, Audit Project Manager, at (703) 604-9228 (DSN 664-9228). See Appendix F for the report distribution. The audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 95-247
(Project No. 5CG-5017.31)

June 23, 1995

Defense Base Realignment and Closure Military Construction Budget Data for the Naval Aviation Depot North Island, California

Executive Summary

Introduction. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. This report is one in a series of reports about FY 1996 Defense base realignment and closure military construction costs.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the results of the audit of one project, valued at \$1.7 million, to renovate building 378 located at Naval Aviation Depot North Island, California. The audit also assessed the adequacy of the management control program as it applied to the audit objectives.

Audit Results. The Navy overestimated project P-720T, "Building Conversion," a \$1.7 million BRAC MILCON project. The project cost was not supported by adequate documentation and was overstated by \$965,420. See Part I for a discussion of the finding. See Appendix D for a summary of potential benefits of the audit. The results of the review of the management control program will be discussed in a summary report on Defense base realignment and closure military construction budget data.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) reduce by \$965,420 the funding for project P-720T and reprogram the deducted funds to appropriate Defense base realignment and closure military construction projects. In addition, we recommend that the Navy determine a more accurate space requirement for the project and resubmit to the Under Secretary of Defense (Comptroller) the corrected DD Form 1391, "FY 1996 Military Construction Program."

Management Comments. The Under Secretary of Defense (Comptroller) concurred with the report and stated that funds will be placed on administrative withhold if the issue is not resolved by the start of the fiscal year. As of June 19, 1995, the Navy had not responded to the draft report. A discussion of management comments received is in Part I, and the complete text of those comments is in Part III of the report.

Audit Response. We consider the Under Secretary of Defense (Comptroller) comments responsive to the report. We request comments from the Navy by July 24, 1995.

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Part I - Audit Results

Audit Background

The Inspector General, DoD, is performing various audits of the Defense base realignment and closure (BRAC) process. This report is one in a series of reports about FY 1996 BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C.

Audit Objectives

The overall audit objective was to determine the accuracy of Defense BRAC MILCON budget data. The specific objectives were to determine whether the proposed projects were valid BRAC requirements, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. The audit also assessed the adequacy of the Naval Aviation Depot North Island management control program as it applied to the overall audit objective.

This report provides the results of the audit of one BRAC MILCON project, valued at \$1.7 million, for the renovation of an existing industrial space into administrative office space at Naval Aviation Depot North Island, California. See Appendix A for a discussion of the scope and methodology and Appendix B for a summary of prior coverage related to the audit objectives. The management control program will be discussed in a summary report on BRAC MILCON budget data. Therefore, this report does not discuss our review of management controls.

Renovation of Building 378

The Navy overestimated the BRAC MILCON requirement for project P-720T, "Building Conversion," at Naval Aviation Depot North Island (North Island). The inaccurate estimate occurred because the Navy did not properly develop the BRAC MILCON requirement based on criteria in the Navy Publication P-80, "Facility Planning Criteria for Navy and Marine Corps Shore Installations," October 1982. As a result, the \$1.7 million estimated project cost is not supported by adequate documentation, and the cost of the renovation is overstated by \$965,420.

Overview of BRAC Transfer

The 1993 Commission on Defense Base Closure and Realignment (the Commission) recommended that the Navy close three of the six Naval Aviation Depots and consolidate the functions from the closing depots to the remaining three Naval Aviation Depots. One of the three Naval Aviation Depots the Commission recommended closing was the Naval Aviation Depot Alameda, California. As a result of the Naval Aviation Depot Alameda closing, the Navy transferred depot support for the S-3 aircraft to North Island, California. The Navy authorized a \$1.7 million BRAC MILCON project to alter building 378 at North Island to accommodate the transfer of administrative personnel.

The Navy submitted a DD Form 1391, "FY 1996 Military Construction Program," dated May 15, 1994, to alter building 378, which was vacant, from a shop area to administrative office space. The project included alterations to electrical, mechanical, and fire protection systems.

Facility Planning Criteria

Navy Publication P-80 provides facility planning criteria for use in computing quantitative facility requirements for Navy and Marine Corps installations. Planning criteria included in Publication P-80 are a guide and are normally considered maximum requirements. To apply Publication P-80, the Navy needed to determine the number of authorized personnel (billets) that would occupy the facility.

Publication P-80, section 610.10 "Administrative Office," states that the gross floor area per building occupant will be 150 square feet. The gross floor area includes the total usable areas of all floors measured between the exterior faces of the outside walls. The Navy used Publication P-80 to estimate the space requirement for the conversion.

Determination of Space Requirement

The Navy requested conversion of 35,050 square feet of shop space to administrative space at a cost of \$1.7 million. The Navy estimated that 215 billets would transfer from the realignment of depot functions. The estimated 215 billets included billets for administrative personnel that performed engineering and logistical support for the S-3 aircraft and billets for personnel for field activity support.

The Navy calculated a requirement of 32,250 gross square feet for the 215 billets (215 billets times 150 gross square feet). In addition, the Navy added an additional 2,800 gross square feet to the 32,250 gross square feet to arrive at the requirement of 35,050 gross square feet.

The Navy could document a need for only 100 billets. Using the information above, we estimated the requirement for the 100 billets to be 15,000 gross square feet (100 billet times 150 square feet). The Navy could not provide documentation to support the need for the additional 2,800 gross square feet. Therefore, the Navy overstated the square footage for project P-720T by 20,050 square feet (35,050 minus 15,000).

The Navy estimated the cost of project P-720T at \$1.7 million. We estimated the cost of the project at \$734,580 and determined the Navy overstated it by \$965,420. See the table on the next page for our calculation of the overstatement for project P-720T.

Calculation of Overstatement of Costs for Project P-720T	
<u>Description</u>	<u>Costs</u>
Cost Estimate on DD Form 1391	\$1,700,000
Inspector General Cost Calculation	
Administrative Space Conversion (15,000 gross square feet times \$44*)	\$660,000
(plus) Contingency (5 percent of \$660,000)	<u>33,000</u>
Subtotal	\$693,000
(plus) Supervision, Inspection and Overhead (6 percent of \$693,000)	<u>41,580</u>
(minus) Total Inspector General Calculation	<u>734,580</u>
Navy Overstatement of Costs for Project P-720T	\$965,420
*The Navy estimated the cost per square foot as \$44 on the DD Form 1391.	

Conclusion

The Navy did not use the most accurate data available for the number of billets to be transferred to North Island as a result of the Naval Aviation Depot Alameda closing. The Navy overstated project P-720T by about \$965,420. The Navy should resubmit the DD Form 1391 that is based on the actual number of billets being transferred, and the Under Secretary of Defense (Comptroller) should reduce funding for project P-720T by \$965,420.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Commanding Officer, Naval Aviation Depot North Island, California, revise and resubmit a DD Form 1391, "FY 1996 Military Construction Program," for project P-720T, "Building Conversion," to accurately reflect square footage and billet requirements.

2. We recommend that the Under Secretary of Defense (Comptroller) reduce the FY 1996 military construction authorization for project P-720T, "Building Conversion," by \$965,420.

Under Secretary of Defense (Comptroller) Comments. The Under Secretary of Defense (Comptroller) concurred with the report and agreed to place FY 1996 funds on administrative withhold and to reprogram the savings to support other valid Defense base realignment and closure requirements.

Audit Response. The actions proposed by the Under Secretary of Defense (Comptroller) meet the intent of our recommendations, and no additional comments are required from the Under Secretary. The Navy did not provide comments on a draft of this report. Therefore, we request the Navy provide comments in response to the final report.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We examined the FY 1996 BRAC MILCON budget request and related documentation for the conversion of building 378 from an industrial workshop to administrative office space for project P-720T. The Navy estimated the project to cost \$1.7 million.

Audit Period, Standards, and Locations. This economy and efficiency audit was made from March through May 1995 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary. The audit did not rely on computer-processed data or statistical sampling procedures. See Appendix D for the potential benefits resulting from the audit. Appendix E lists the organizations visited or contacted during the audit.

Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists selected DoD and Navy BRAC reports.

Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
95-226	Defense Base Realignment and Closure Budget Data for the Realignment of Rickenbacker Air National Guard Base, Ohio	June 8, 1995
95-223	Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California, and Realignment to Naval Air Station Miramar, California	June 8, 1995
95-222	Defense Base Realignment and Closure Budget Data for the Proposed Construction of the Automotive Vehicle Maintenance Facility, Guam	June 7, 1995
95-221	Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center San Diego, California	June 6, 1995
95-213	Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois	June 2, 1995
95-212	Defense Base Realignment and Closure Budget Data for Fort Jackson, South Carolina	June 2, 1995
95-208	Defense Base Realignment and Closure Budget Data for Realignment of Construction Battalion Unit 416 from Naval Air Station Alameda, California, to Naval Air Station Fallon, Nevada	May 31, 1995

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
95-205	Defense Base Realignment and Closure Budget Data for the Relocation of Marine Corps Manpower Center at Marine Corps Combat Development Command, Quantico, Virginia	May 26, 1995
95-203	Defense Base Realignment and Closure Military Construction Budget Data for the Army Reserve Center, Sacramento, California	May 25, 1995
95-198	Defense Base Realignment and Closure Budget Data for the Closure of the Underway Replenishment Training Facility, Treasure Island, California, and Realignment to the Expeditionary Warfare Training Group Atlantic, Norfolk, Virginia	May 19, 1995
95-196	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Alameda, California, and Realignment to Puget Sound Naval Shipyard, Washington	May 17, 1995
95-191	Defense Base Realignment and Closure Budget Data for the Closure of Naval Reserve Readiness Center San Francisco, California, and Realignment to Naval and Marine Corps Reserve Center Alameda, California	May 15, 1995
95-172	Defense Base Realignment and Closure Budget Data for Griffiss Air Force Base, New York	April 13, 1995
95-154	Audit of Construction Budget Data for Realigning Naval Training Centers Orlando and San Diego to Various Locations	March 21, 1995
95-150	Defense Base Realignment and Closure Budget Data for Closing Naval Station Charleston, South Carolina, and Realigning Projects to Various Sites	March 15, 1995

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
95-051	Defense Base Realignment and Closure Budget Data for Closing Mare Island Naval Shipyard, California, and Realigning Projects to Various Sites	December 9, 1994
95-041	Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California, and the Realignment to Naval Air Station Miramar, California	November 25, 1994
95-039	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning to Naval Air Station Fallon, Nevada	November 25, 1994
95-037	Realignment of the Fleet and Mine Warfare Training Center from Naval Station Charleston, South Carolina, to Naval Station Ingleside, Texas	November 23, 1994
95-029	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning Projects to Various Sites	November 15, 1994
95-010	Defense Base Realignment and Closure Budget Data for Marine Corps Air Station Tustin, California, and Realignment to Marine Corps Air Station Camp Pendleton, California	October 17, 1994
94-179	Defense Base Realignment and Closure Budget Data for McGuire Air Force Base, New Jersey; Barksdale Air Force Base, Louisiana; and Fairchild Air Force Base, Washington	August 31, 1994
94-146	Defense Base Realignment and Closure Budget Data for Closing Naval Air Station Cecil Field, Florida, and Realigning Projects to Various Sites	June 21, 1994

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
94-141	Defense Base Realignment and Closure Budget Data for Naval Air Stations Dallas, Texas, and Memphis, Tennessee, Realigning to Carswell Air Reserve Base, Texas	June 17, 1994
94-127	Defense Base Realignment and Closure Budget Data for the Realignment of the Defense Personnel Support Center to the Naval Aviation Supply Office Compound in North Philadelphia, Pennsylvania	June 10, 1994
94-126	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Glenview, Illinois, and Realignment Projects at Fort McCoy, Wisconsin, and Carswell Air Reserve Base, Texas	June 10, 1994
94-125	Defense Base Realignment and Closure Budget Data for the Naval Medical Center Portsmouth, Virginia	June 8, 1994
94-121	Defense Base Realignment and Closure Budget Data for Naval Air Technical Training Center, Naval Air Station Pensacola, Florida	June 7, 1994
94-109	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Training Center Great Lakes, Illinois	May 19, 1994
94-108	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Station Treasure Island, California	May 19, 1994
94-107	Griffiss Air Force Base, New York, Defense Base Realignment and Closure Budget Data for Military Construction at Other Sites	May 19, 1994

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
94-105	Defense Base Realignment and Closure Budget Data for a Tactical Support Center at Naval Air Station Whidbey Island, Washington	May 18, 1994
94-104	Defense Base Realignment and Closure Budget Data for the Defense Contract Management District-West	May 18, 1994
94-103	Air Force Reserve 301st Fighter Wing Covered Aircraft Washrack Project, Carswell Air Reserve Base, Texas	May 18, 1994
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

Naval Audit Service

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
041-S-94	FY 1995 Military Construction Projects From Decisions of 1993 Base Closure and Realignment Commission	April 15, 1994
023-S-94	Military Construction Projects Budgeted and Programmed for Bases Identified for Closure or Realignment	January 14, 1994
028-C-93	Implementation of the 1993 Base Closure and Realignment Process	March 15, 1993

Appendix C. Background of Defense Base Realignment and Closures and Scope of the Audit of FY 1996 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the DoD Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress. The following table summarizes the current estimated costs and net savings for the previous three BRAC actions and the actions recommended in the 1995 Commission decisions:

BRAC Costs and Savings
(Billions of FY 1996 Dollars)

	<u>BRAC Actions</u>		<u>Closure</u>	<u>6-Year Net</u>	<u>Recurring</u>	<u>Total</u>
	<u>Realignments</u>	<u>Closures</u>	<u>Costs</u>	<u>Savings</u>	<u>Annual</u>	<u>Savings</u>
					<u>Savings</u>	
1988	86	59	\$ 2.2	\$0.3	\$0.7	\$ 6.8
1991	34	48	4.0	2.4	1.6	15.8
1993	<u>130</u>	<u>45</u>	<u>6.9</u>	<u>.4</u>	<u>1.9</u>	<u>15.7</u>
Subtotal	250	152	13.1	3.1	4.2	38.3
1995	<u>113</u>	<u>33</u>	<u>3.8</u>	<u>4.0</u>	<u>1.8</u>	<u>18.4</u>
Total	363	185	\$16.9	\$7.1	\$6.0	\$56.7

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Appendix C. Background of Defense Base Realignment and Closures and Scope of the Audit of FY 1996 Defense Base Realignment and Closure Military Construction Costs

Military Department BRAC Cost-estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model (COBRA). COBRA uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1996 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. COBRA provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because COBRA develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1996 BRAC MILCON \$1.4 billion budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group.

Appendix D. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount and Type of Benefit
1.	Economy and Efficiency. Revises and resubmits construction estimate to accurately reflect requirements.	Undeterminable.*
2.	Economy and Efficiency. Adjusts the FY 1996 BRAC MILCON budget for project P-720T to reflect actual requirements.	FY 1996 Base Closure Account Funds of \$965,420 put to better use.*

*Exact amount of additional benefits to be realized will be determined by future budget decisions and budget requests.

Appendix E. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller),
Washington, DC

Naval Facilities Engineering Command, Alexandria, VA
Southwest Division, San Diego, CA

Naval Air Systems Command, Arlington, VA

Facilities and Environmental Programs, Arlington, VA

Deputy Assistant Commander for Aviation Depots, Arlington, VA

Naval Aviation Depot Operations Center, Naval Air Station Patuxent River, MD

Naval Aviation Depot North Island, Naval Air Station North Island, CA

Naval Aviation Depot Alameda, Naval Air Station Alameda, CA

Appendix F. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Economic Security)
Assistant to the Secretary of Defense (Public Affairs)
Director, Defense Logistics Studies Information Exchange

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy
Commander, Naval Facilities Engineering Command
Commander, Southwest Division
Commander, Naval Air Systems Command
Director, Facilities and Environmental Programs
Deputy Assistant Commander for Aviation Depots
Commander, Naval Aviation Depot Operations Center, Naval Air Station
Patuxent River
Commander, Naval Aviation Depot North Island

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
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Other Defense Organizations

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Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, National Security Agency
Inspector General, Central Imagery Office

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
General Accounting Office

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Subcommittee on Military Construction, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Military Construction, Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

Honorable Barbara Boxer, U.S. Senate
Honorable Dianne Feinstein, U.S. Senate
Honorable Brian P. Bilbray, U.S. House of Representatives

Part III - Management Comments

Under Secretary of Defense (Comptroller) Comments



COMPTROLLER
(Program/Budget)

OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100



MAY 30 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: Audit Report on Defense Base Realignment and
Closure Military Construction Budget Data for
the Naval Aviation Depot North Island, California
(Project No. 5CG-5017.31)

This responds to your May 19, 1995 memorandum requesting
our comments on the subject report.

The audit recommends that the USD (Comptroller) reduce
funding for project P-720T by \$965,420 on the basis that the
project was overestimated.

The funding for this project is included in the FY 1996
BRAC budget request. We generally agree with the audit and
recommendations and will place funds associated with the project
on administrative withhold if the issue is not resolved by the
start of the fiscal year. Further, any savings resulting from
the audit will be reprogrammed to other valid BRAC requirements
as appropriate.


B. R. Paseur
Director for Construction



Audit Team Members

This report was produced by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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